

# SENATE BILL NO. 552

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ESLINGER.

2118S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 335.203, 335.212, 335.215, 335.218, 335.221, 335.224, 335.227, 335.230, 335.233, 335.236, 335.239, 335.242, 335.245, 335.248, 335.251, 335.254, and 335.257, RSMo, and to enact in lieu thereof two new sections relating to nursing education.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 335.203, 335.212, 335.215, 335.218, 335.221, 335.224, 335.227, 335.230, 335.233, 335.236, 335.239, 335.242, 335.245, 335.248, 335.251, 335.254, and 335.257, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 335.203 and 335.205, to read as follows:

335.203. 1. There is hereby established the "Nursing Education Incentive Program" within the state board of nursing.

2. Subject to appropriation and board disbursement, grants shall be awarded through the nursing education incentive program to eligible institutions of higher education based on criteria jointly determined by the board and the department of higher education and workforce development. [Grant award amounts shall not exceed one hundred fifty thousand dollars.] No campus shall receive more than one grant per year.

3. To be considered for a grant, an eligible institution of higher education shall offer a program of nursing that meets the predetermined category and area of

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

15 need as established by the board and the department under  
16 subsection 4 of this section.

17 4. The board and the department shall determine  
18 categories and areas of need for designating grants to  
19 eligible institutions of higher education. In establishing  
20 categories and areas of need, the board and department may  
21 consider criteria including, but not limited to:

22 (1) Data generated from licensure renewal data and the  
23 department of health and senior services; and

24 (2) National nursing statistical data and trends that  
25 have identified nursing shortages.

26 5. The board shall be the administrative agency  
27 responsible for implementation of the program established  
28 under sections 335.200 to 335.203, and shall promulgate  
29 reasonable rules for the exercise of its functions and the  
30 effectuation of the purposes of sections 335.200 to  
31 335.203. The board shall, by rule, prescribe the form,  
32 time, and method of filing applications and shall supervise  
33 the processing of such applications.

34 6. Any rule or portion of a rule, as that term is  
35 defined in section 536.010, that is created under the  
36 authority delegated in this section shall become effective  
37 only if it complies with and is subject to all of the  
38 provisions of chapter 536 and, if applicable, section  
39 536.028. This section and chapter 536 are nonseverable and  
40 if any of the powers vested with the general assembly  
41 pursuant to chapter 536 to review, to delay the effective  
42 date, or to disapprove and annul a rule are subsequently  
43 held unconstitutional, then the grant of rulemaking  
44 authority and any rule proposed or adopted after August 28,  
45 2011, shall be invalid and void.

335.205. The board, in addition to any other duties it  
2 may have regarding licensure of nurses, shall collect, at  
3 the time of initial licensure application or license renewal  
4 application, a nurse education incentive program surcharge  
5 from each person licensed or relicensed pursuant to chapter  
6 335, in the amount of one dollar per year for practical  
7 nurses and five dollars per year for professional nurses.  
8 These funds shall be deposited in the board of nursing fund.

[335.212. As used in sections 335.212 to  
2 335.242, the following terms mean:

3 (1) "Board", the Missouri state board of  
4 nursing;

5 (2) "Department", the Missouri department  
6 of health and senior services;

7 (3) "Director", director of the Missouri  
8 department of health and senior services;

9 (4) "Eligible student", a resident who has  
10 been accepted as a full-time student in a formal  
11 course of instruction leading to an associate  
12 degree, a diploma, a bachelor of science, a  
13 master of science in nursing (M.S.N.), a  
14 doctorate in nursing (Ph.D. or D.N.P.), or a  
15 student with a master of science in nursing  
16 seeking a doctorate in education (Ed.D.), or  
17 leading to the completion of educational  
18 requirements for a licensed practical nurse.  
19 The doctoral applicant may be a part-time  
20 student;

21 (5) "Participating school", an institution  
22 within this state which is approved by the board  
23 for participation in the professional and  
24 practical nursing student loan program  
25 established by sections 335.212 to 335.242,  
26 having a nursing department and offering a  
27 course of instruction based on nursing theory  
28 and clinical nursing experience;

29 (6) "Qualified applicant", an eligible  
30 student approved by the board for participation  
31 in the professional and practical nursing  
32 student loan program established by sections  
33 335.212 to 335.242;

34 (7) "Qualified employment", employment on  
35 a full-time basis in Missouri in a position  
36 requiring licensure as a licensed practical  
37 nurse or registered professional nurse in any  
38 hospital as defined in section 197.020 or in any  
39 agency, institution, or organization located in  
40 an area of need as determined by the department  
41 of health and senior services. Any forgiveness  
42 of such principal and interest for any qualified

43 applicant engaged in qualified employment on a  
44 less than full-time basis may be prorated to  
45 reflect the amounts provided in this section;  
46 (8) "Resident", any person who has lived  
47 in this state for one or more years for any  
48 purpose other than the attending of an  
49 educational institution located within this  
50 state.]

2 [335.215. 1. The department of health and  
3 senior services shall be the administrative  
4 agency for the implementation of the  
5 professional and practical nursing student loan  
6 program established under sections 335.212 to  
7 335.242, and the nursing student loan repayment  
8 program established under sections 335.245 to  
9 335.259.

10 2. An advisory panel of nurses shall be  
11 appointed by the director. It shall be composed  
12 of not more than eleven members representing  
13 practical, associate degree, diploma,  
14 baccalaureate and graduate nursing education,  
15 community health, primary care, hospital, long-  
16 term care, a consumer, and the Missouri state  
17 board of nursing. The panel shall make  
18 recommendations to the director on the content  
19 of any rules, regulations or guidelines prior to  
20 their promulgation. The panel may make  
21 recommendations to the director regarding fund  
22 allocations for loans and loan repayment based  
23 on current nursing shortage needs.

24 3. The department of health and senior  
25 services shall promulgate reasonable rules and  
26 regulations for the exercise of its function  
27 pursuant to sections 335.212 to 335.259. It  
28 shall prescribe the form, the time and method of  
29 filing applications and supervise the  
30 proceedings thereof. No rule or portion of a  
31 rule promulgated under the authority of sections  
32 335.212 to 335.257 shall become effective unless  
33 it has been promulgated pursuant to the  
34 provisions of section 536.024.

35 4. Ninety-five percent of funds loaned  
36 pursuant to sections 335.212 to 335.242 shall be  
37 loaned to qualified applicants who are enrolled  
38 in professional nursing programs in  
39 participating schools and five percent of the  
40 funds loaned pursuant to sections 335.212 to  
41 335.242 shall be loaned to qualified applicants  
42 who are enrolled in practical nursing programs.  
43 Priority shall be given to eligible students who  
44 have established financial need. All loan  
45 repayment funds pursuant to sections 335.245 to  
46 335.259 shall be used to reimburse successful  
47 associate, diploma, baccalaureate or graduate  
professional nurse applicants' educational loans

48 who agree to serve in areas of defined need as  
49 determined by the department.]

2 [335.218. There is hereby established the  
3 "Professional and Practical Nursing Student Loan  
4 and Nurse Loan Repayment Fund". All fees  
5 pursuant to section 335.221, general revenue  
6 appropriations to the student loan or loan  
7 repayment program, voluntary contributions to  
8 support or match the student loan and loan  
9 repayment program activities, funds collected  
10 from repayment and penalties, and funds received  
11 from the federal government shall be deposited  
12 in the state treasury and be placed to the  
13 credit of the professional and practical nursing  
14 student loan and nurse loan repayment fund. The  
15 fund shall be managed by the department of  
16 health and senior services and all  
17 administrative costs and expenses incurred as a  
18 result of the effectuation of sections 335.212  
19 to 335.259 shall be paid from this fund.]

2 [335.221. The board, in addition to any  
3 other duties it may have regarding licensure of  
4 nurses, shall collect, at the time of licensure  
5 or licensure renewal, an education surcharge  
6 from each person licensed or relicensed pursuant  
7 to sections 335.011 to 335.096, in the amount of  
8 one dollar per year for practical nurses and  
9 five dollars per year for professional nurses.  
10 These funds shall be deposited in the  
11 professional and practical nursing student loan  
12 and nurse loan repayment fund. All expenditures  
13 authorized by sections 335.212 to 335.259 shall  
14 be paid from funds appropriated by the general  
15 assembly from the professional and practical  
16 nursing student loan and nurse loan repayment  
17 fund. The provisions of section 33.080 to the  
18 contrary notwithstanding, money in this fund  
19 shall not be transferred and placed to the  
credit of general revenue.]

2 [335.224. The department of health and  
3 senior services shall enter into a contract with  
4 each qualified applicant receiving financial  
5 assistance under the provisions of sections  
6 335.212 to 335.242 for repayment of the  
principal and interest.]

2 [335.227. An eligible student may apply to  
3 the department for financial assistance under  
4 the provisions of sections 335.212 to 335.242  
5 if, at the time of his application for a loan,  
6 the eligible student has formally applied for  
7 acceptance at a participating school. Receipt  
8 of financial assistance is contingent upon  
9 acceptance and continued enrollment at a  
participating school.]

2 [335.230. Financial assistance to any  
3 qualified applicant shall not exceed ten  
4 thousand dollars for each academic year for a  
5 professional nursing program and shall not  
6 exceed five thousand dollars for each academic  
7 year for a practical nursing program. All  
8 financial assistance shall be made from funds  
9 credited to the professional and practical  
10 nursing student loan and nurse loan repayment  
11 fund. A qualified applicant may receive  
12 financial assistance for each academic year he  
13 remains a student in good standing at a  
participating school.]

2 [335.233. The department shall establish  
3 schedules for repayment of the principal and  
4 interest on any financial assistance made under  
5 the provisions of sections 335.212 to 335.242.  
6 Interest at the rate of nine and one-half  
7 percent per annum shall be charged on all  
8 financial assistance made under the provisions  
9 of sections 335.212 to 335.242, but the interest  
10 and principal of the total financial assistance  
11 granted to a qualified applicant at the time of  
12 the successful completion of a nursing degree,  
13 diploma program or a practical nursing program  
shall be forgiven through qualified employment.]

2 [335.236. The financial assistance  
3 recipient shall repay the financial assistance  
4 principal and interest beginning not more than  
5 six months after completion of the degree for  
6 which the financial assistance was made in  
7 accordance with the repayment contract. If an  
8 eligible student ceases his study prior to  
9 successful completion of a degree or graduation  
10 at a participating school, interest at the rate  
11 specified in section 335.233 shall be charged on  
12 the amount of financial assistance received from  
13 the state under the provisions of sections  
14 335.212 to 335.242, and repayment, in accordance  
15 with the repayment contract, shall begin within  
16 ninety days of the date the financial aid  
17 recipient ceased to be an eligible student. All  
18 funds repaid by recipients of financial  
19 assistance to the department shall be deposited  
20 in the professional and practical nursing  
21 student loan and nurse loan repayment fund for  
use pursuant to sections 335.212 to 335.259.]

2 [335.239. The department shall grant a  
3 deferral of interest and principal payments to a  
4 financial assistance recipient who is pursuing  
5 an advanced degree, special nursing program, or  
6 upon special conditions established by the  
7 department. The deferral shall not exceed four  
8 years. The status of each deferral shall be  
reviewed annually by the department of health

9 and senior services to ensure compliance with  
10 the intent of this section.]

2 [335.242. When necessary to protect the  
3 interest of the state in any financial  
4 assistance transaction under sections 335.212 to  
5 335.259, the department of health and senior  
6 services may institute any action to recover any  
amount due.]

2 [335.245. As used in sections 335.245 to  
3 335.259, the following terms mean:

4 (1) "Department", the Missouri department  
5 of health and senior services;

6 (2) "Eligible applicant", a Missouri  
7 licensed nurse who has attained either an  
8 associate degree, a diploma, a bachelor of  
9 science, or graduate degree in nursing from an  
10 accredited institution approved by the board of  
11 nursing or a student nurse in the final year of  
12 a full-time baccalaureate school of nursing  
13 leading to a baccalaureate degree or graduate  
14 nursing program leading to a master's degree in  
15 nursing and has agreed to serve in an area of  
16 defined need as established by the department;

17 (3) "Participating school", an institution  
18 within this state which grants an associate  
19 degree in nursing, grants a bachelor or master  
20 of science degree in nursing or provides a  
21 diploma nursing program which is accredited by  
22 the state board of nursing, or a regionally  
23 accredited institution in this state which  
24 provides a bachelor of science completion  
25 program for registered professional nurses;

26 (4) "Qualified employment", employment on  
27 a full-time basis in Missouri in a position  
28 requiring licensure as a licensed practical  
29 nurse or registered professional nurse in any  
30 hospital as defined in section 197.020 or public  
31 or nonprofit agency, institution, or  
32 organization located in an area of need as  
33 determined by the department of health and  
34 senior services. Any forgiveness of such  
35 principal and interest for any qualified  
36 applicant engaged in qualified employment on a  
37 less than full-time basis may be prorated to  
reflect the amounts provided in this section.]

2 [335.248. Sections 335.245 to 335.259  
3 shall be known as the "Nursing Student Loan  
4 Repayment Program". The department of health  
5 and senior services shall be the administrative  
6 agency for the implementation of the authority  
7 established by sections 335.245 to 335.259. The  
8 department shall promulgate reasonable rules and  
9 regulations necessary to implement sections  
10 335.245 to 335.259. Promulgated rules shall  
include, but not be limited to, applicant

11 eligibility, selection criteria, prioritization  
12 of service obligation sites and the content of  
13 loan repayment contracts, including repayment  
14 schedules for those in default and penalties.  
15 The department shall promulgate rules regarding  
16 recruitment opportunities for minority students  
17 into nursing schools. Priority for student loan  
18 repayment shall be given to eligible applicants  
19 who have demonstrated financial need. All funds  
20 collected by the department from participants  
21 not meeting their contractual obligations to the  
22 state shall be deposited in the professional and  
23 practical nursing student loan and nurse loan  
24 repayment fund for use pursuant to sections  
25 335.212 to 335.259.]

2 [335.251. Upon proper verification to the  
3 department by the eligible applicant of securing  
4 qualified employment in this state, the  
5 department shall enter into a loan repayment  
6 contract with the eligible applicant to repay  
7 the interest and principal on the educational  
8 loans of the applicant to the limit of the  
9 contract, which contract shall provide for  
10 instances of less than full-time qualified  
11 employment consistent with the provisions of  
12 section 335.233, out of any appropriation made  
13 to the professional and practical nursing  
14 student loan and nurse loan repayment fund. If  
15 the applicant breaches the contract by failing  
16 to begin or complete the qualified employment,  
17 the department is entitled to recover the total  
18 of the loan repayment paid by the department  
19 plus interest on the repaid amount at the rate  
of nine and one-half percent per annum.]

2 [335.254. Sections 335.212 to 335.259  
3 shall not be construed to require the department  
4 to enter into contracts with individuals who  
5 qualify for nursing education loans or nursing  
6 loan repayment programs when federal, state and  
local funds are not available for such purposes.]

2 [335.257. Successful applicants for whom  
3 loan payments are made under the provisions of  
4 sections 335.245 to 335.259 shall verify to the  
5 department twice each year in the manner  
6 prescribed by the department that qualified  
employment in this state is being maintained.]

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